

INTERIM FINANCIAL RESULTS

For the period ended
30 June

2013

Agenda

➤ **SECTOR OVERVIEW**

➤ **FINANCIAL**

➤ **PROSPECTS**

➤ **QUESTIONS**

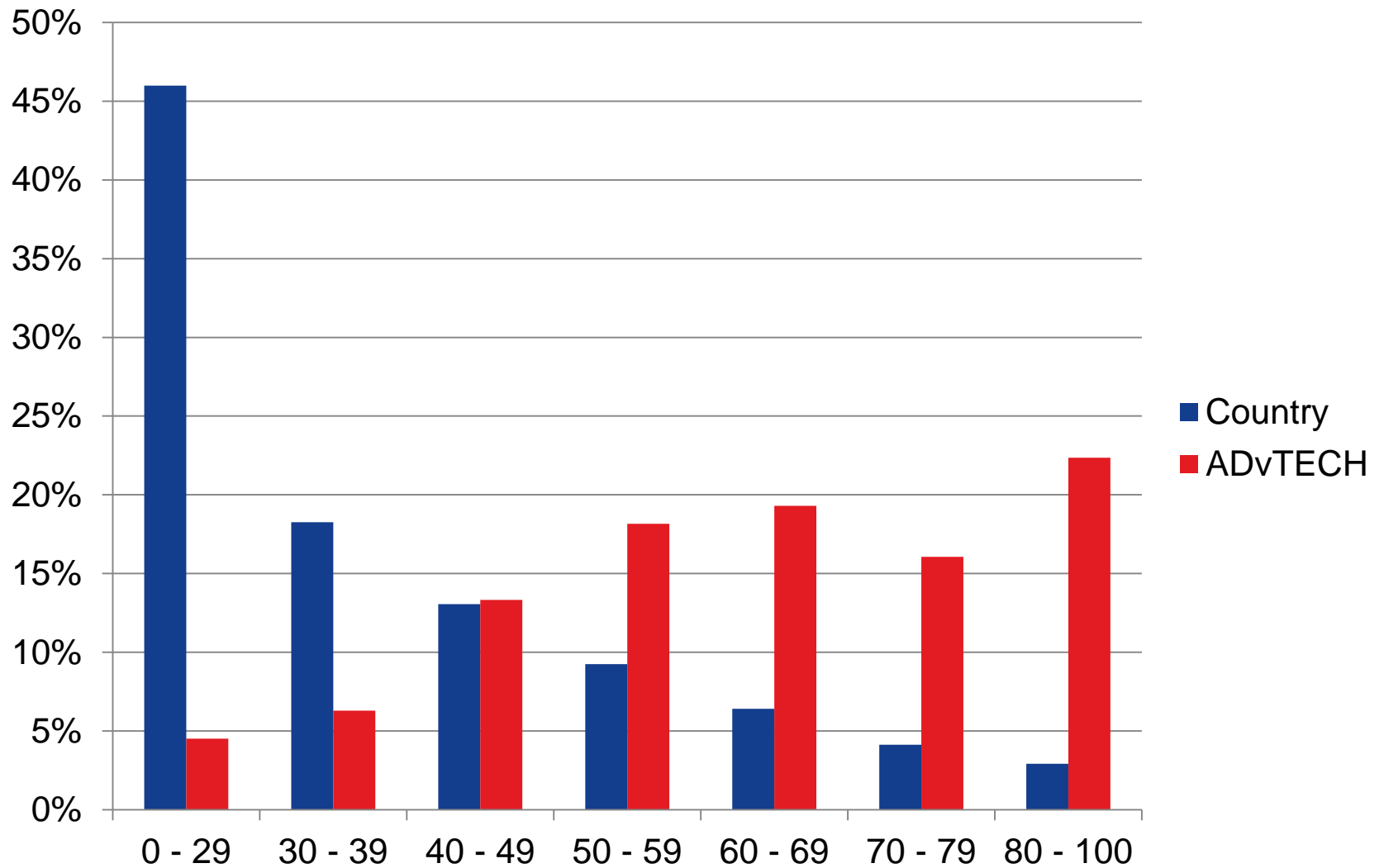
SECTOR OVERVIEW



As they say ...

- *“Along with primary healthcare, education is South Africa’s top priority. The millions of unemployed, hopeless and desperate youths who line streets and binge drink to kill time are largely unemployable. This is a direct consequence of an education system that is unable to make them literate and numerate.”- **Business Day** editorial*
- *“If South Africa is to join the ranks of developing countries with higher standards of schooling performance, and with good schooling available to the poor, it will need to review the ethics and the practicalities of national and provincial education funding.”- **Ann Bernstein, executive director of the Centre for Development and Enterprise (CDE)***

Quality – schools maths



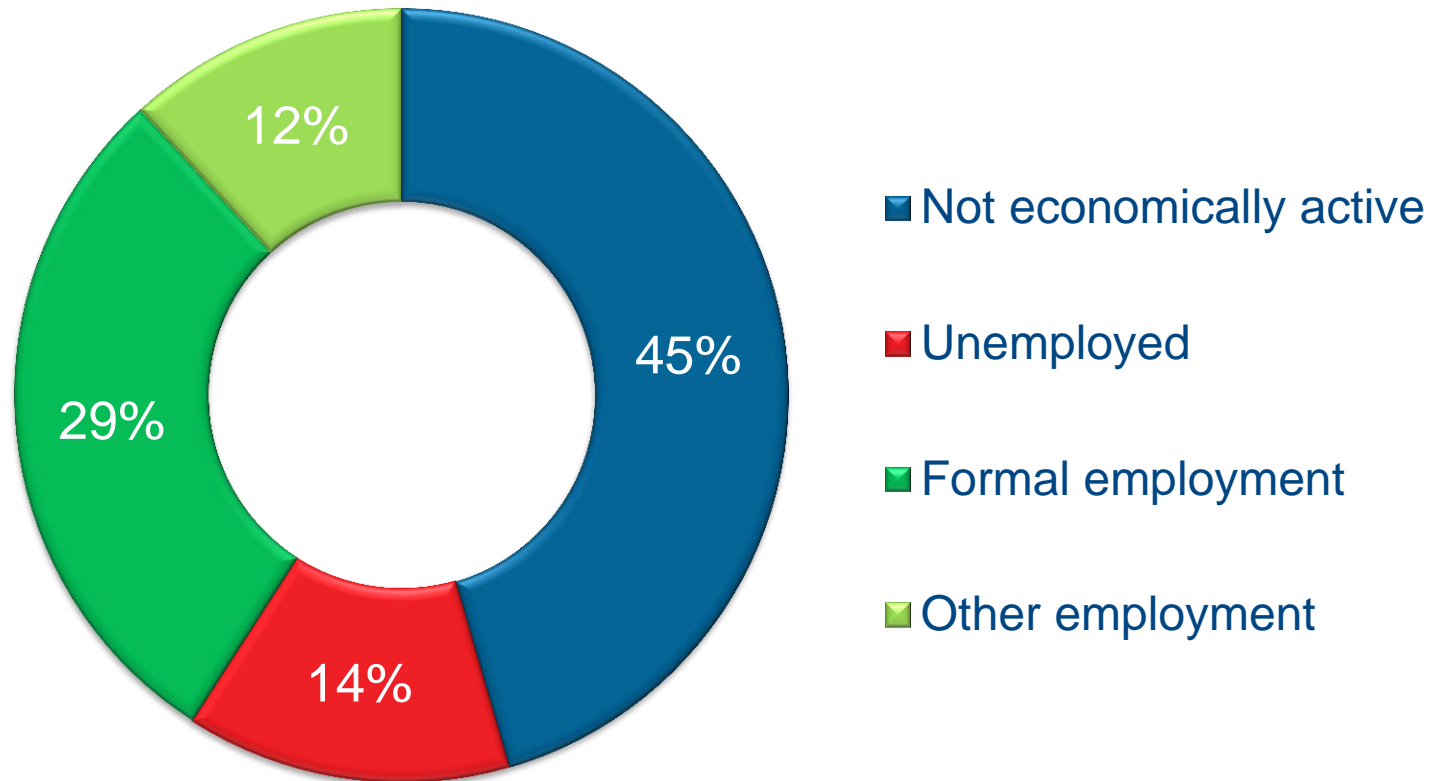
Quality – tertiary student drop outs

	Degrees	Diplomas	All programmes
Contact institutions			
5 years earlier	38%	58%	56%*
Latest available	46%	56%	58%*
UNISA			
5 years earlier	59%	85%	56%*
Latest available	68%	87%	58%*
IIE			
5 years earlier	18%	31%	30%
Latest available	21%	28%	27%

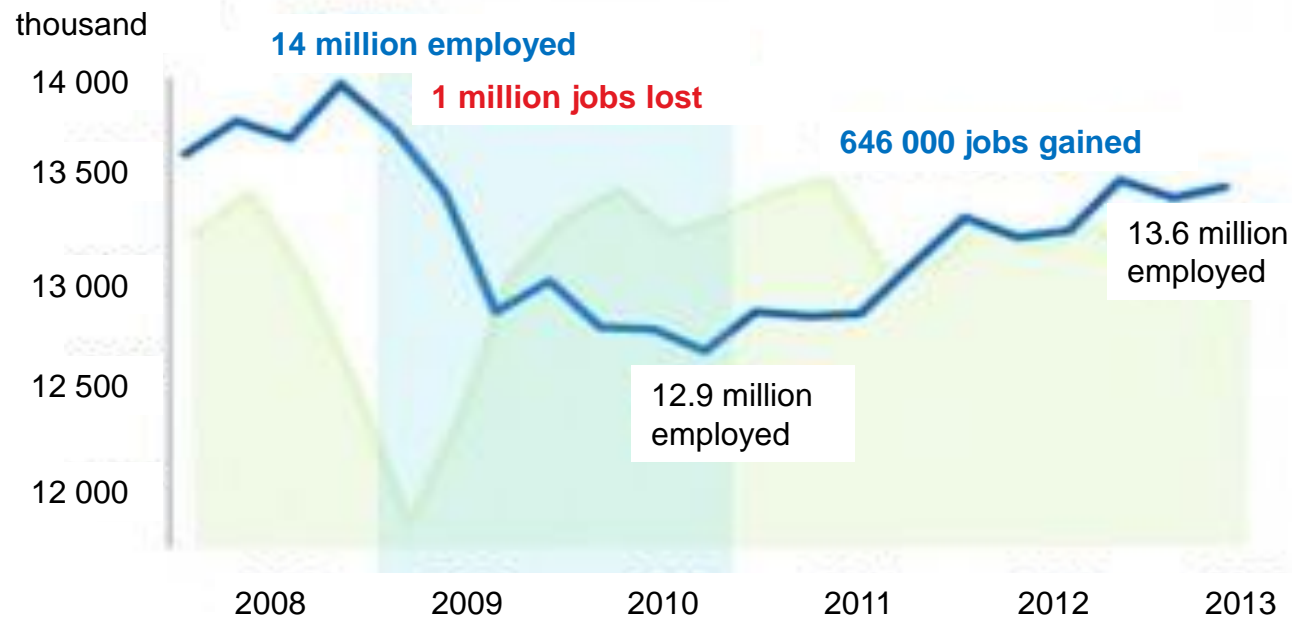
*combined for all public HE institutions

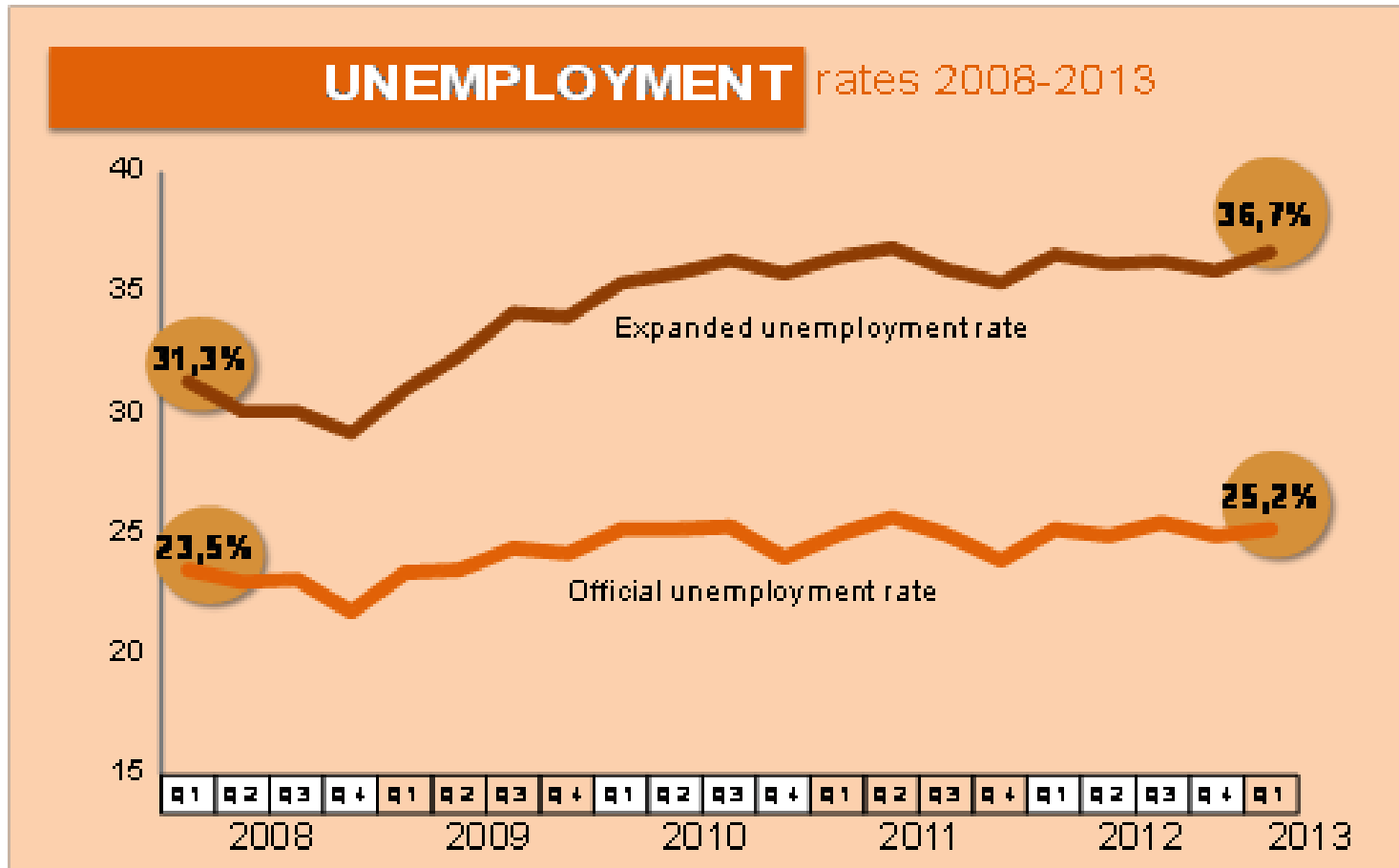
Unemployment in SA

June 2013

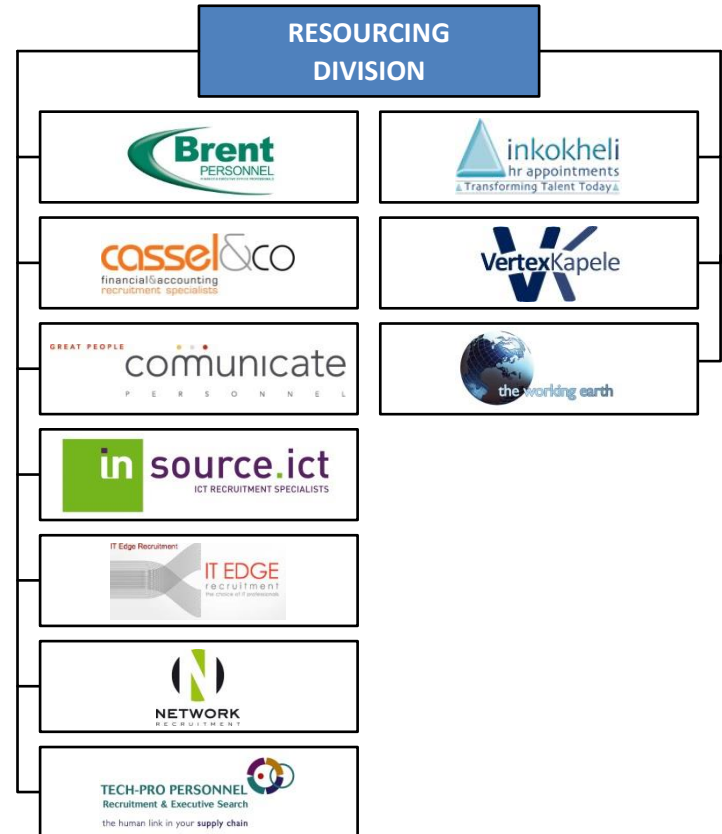
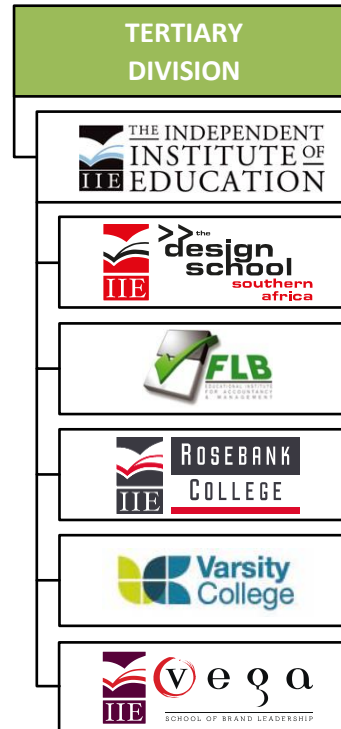
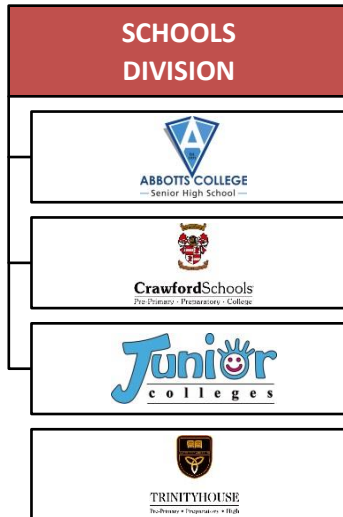


GDP Growth and unemployment

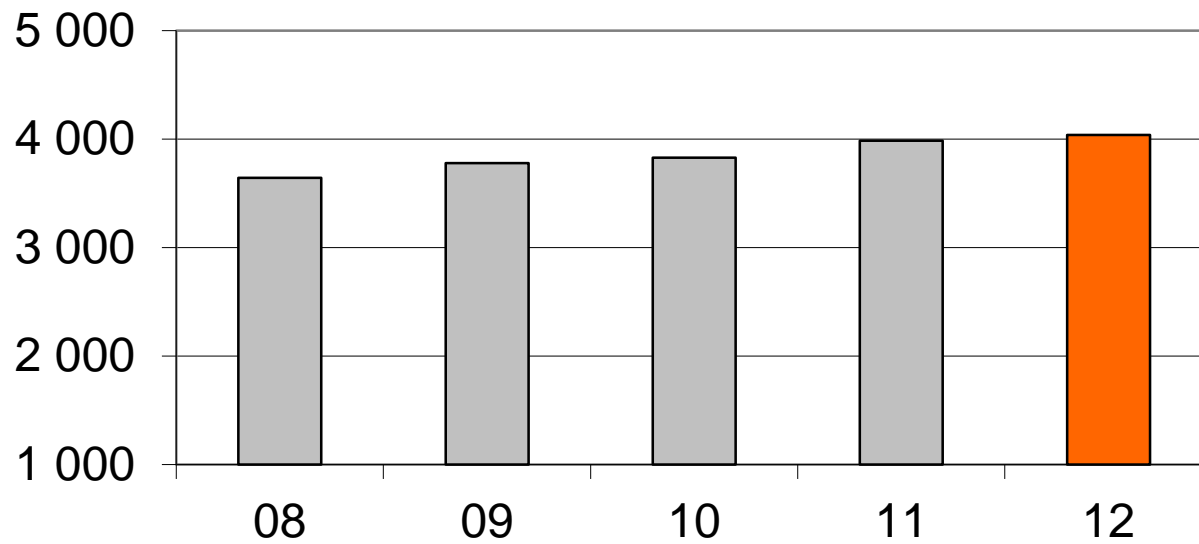




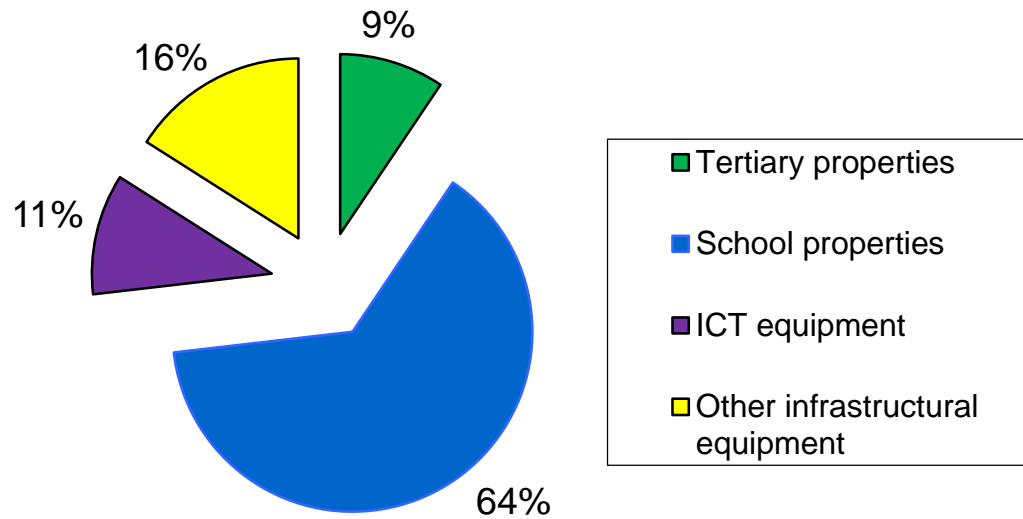
Brands at a glance



Employee headcount



**INVESTMENT PROGRAMME 2010 - June 2013
(R603 million)
Infrastructural investments made**



Current infrastructure pipeline

Type	Investment name	Nature	Completion date	Additional places
Building acquisition	Abbotts Pretoria East	Site expansion	Complete	100
Building acquisition	Rosebank College Pretoria	Site relocation	Complete	200
Building improvement	Crawford Lonehill and La Lucia, Trinityhouse Little Falls	Sports facilities, school hall	Complete	
Additional buildings	Crawford North Coast pre-primary	Site expansion	Dec 2013	275
Additional school	Crawford Italia Bedfordview	New school on new site	Dec 2013	750
Additional school	Trinityhouse Heritage Hill	New school on new site	Phase I Dec 2013	300 Phase I, 1 800 when complete
Additional school	Abbotts Centurion	New school on new site	Dec 2013	400
Additional buildings	Abbotts Suideroord	New classroom block	Sept 2013	100
Lease termination and relocation	FLB	Site relocation to owned site	Dec 2013	200

Trinityhouse - Heritage Hill



Trinityhouse - Heritage Hill





FINANCIAL

Segmental report



		H1 2012	H1 2013	% ch
R million				
Revenue	Schools	367	407	11%
	Tertiary	372	374	1%
	Resourcing	113	103	-9%
	Total	850	882	4%
EBIT	Schools	64	70	9%
	Tertiary	16	22	31%
	Resourcing	13	10	-24%
	Total	92	101	9%
Tangible assets	Schools	615	755	23%
	Tertiary	244	266	9%
	Resourcing	3	3	3%
	Total	862	1 024	19%

Income statement insight



Rm	1H2012	1H2013	% change
Revenue	850	882	+4%
EBITDA	127	136	+7%
Operating profit	92	101	+9%
HEPS and diluted HEPS (cps)	16.6	17.7	+7%
Distribution (cps)	10.0	10.5	+5%
Free operating cash flow before capex (cps)	71.5	70.7	-1%

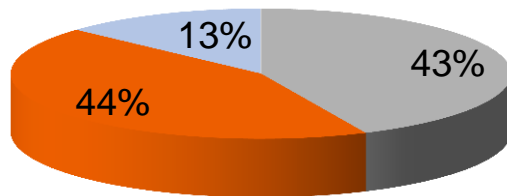
Balance sheet insight

Rm	1H2012	1H2013	% growth
NAV	755	809	+7%
Tangible assets	862	1 024	+19%
Debtors	154	158	+3%
Fees in advance	354	392	+11%
Net cash on hand	118	86	-27%

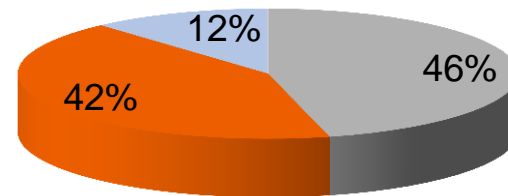
Segmental analysis

Revenue

2012



2013

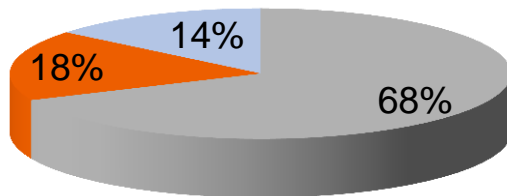


■ Schools ■ Tertiary ■ Resourcing

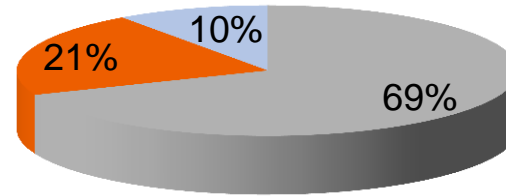
Segmental analysis

Operating profit

2012



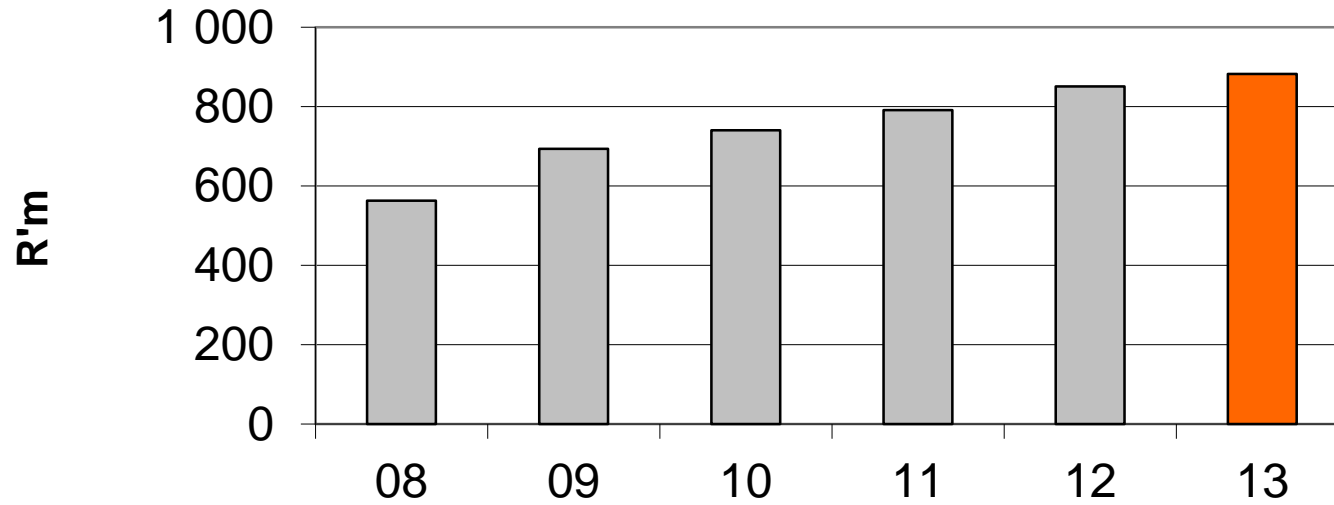
2013



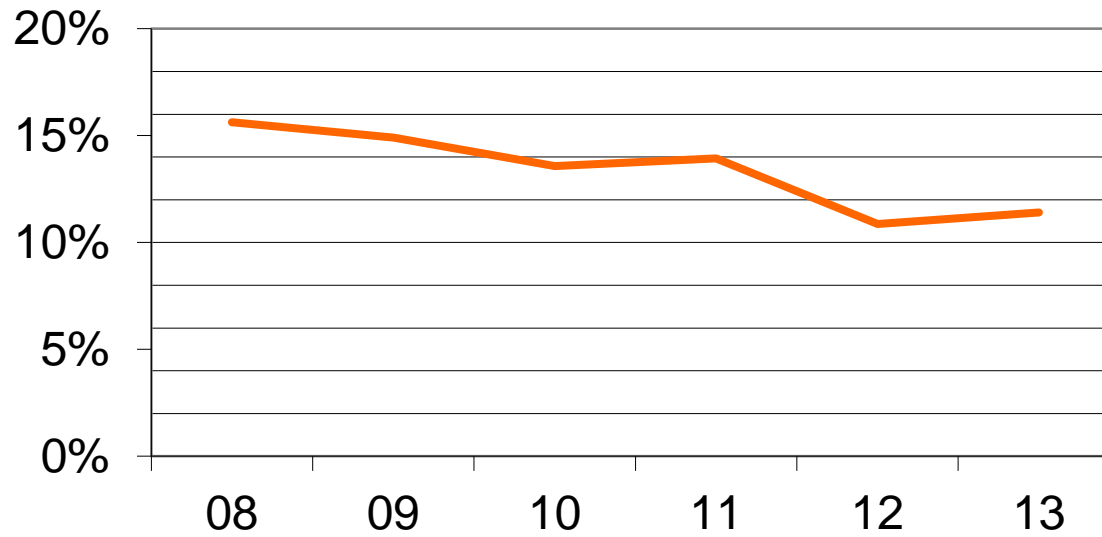
■ Schools ■ Tertiary ■ Resourcing

Revenue trend

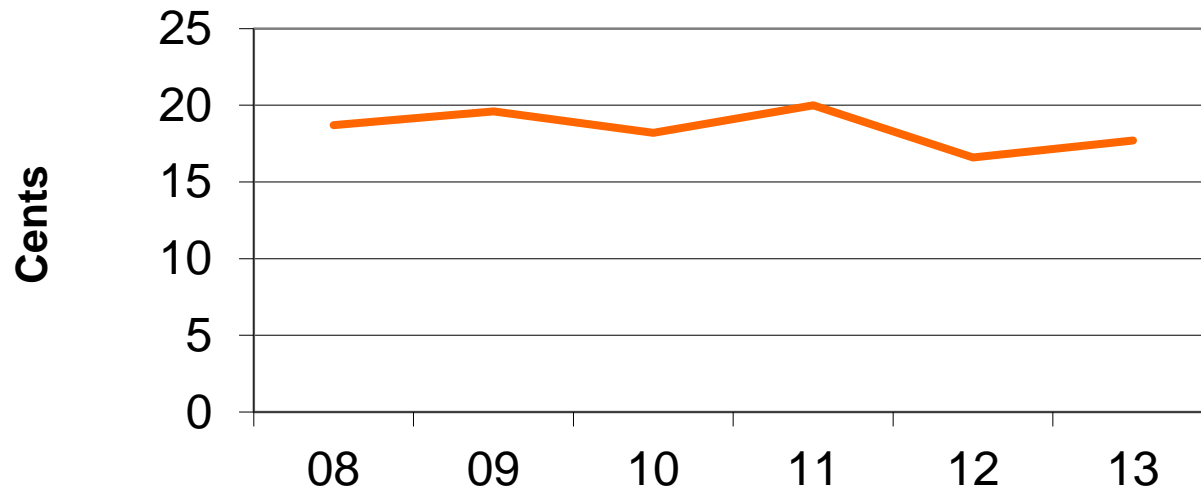
Group revenue



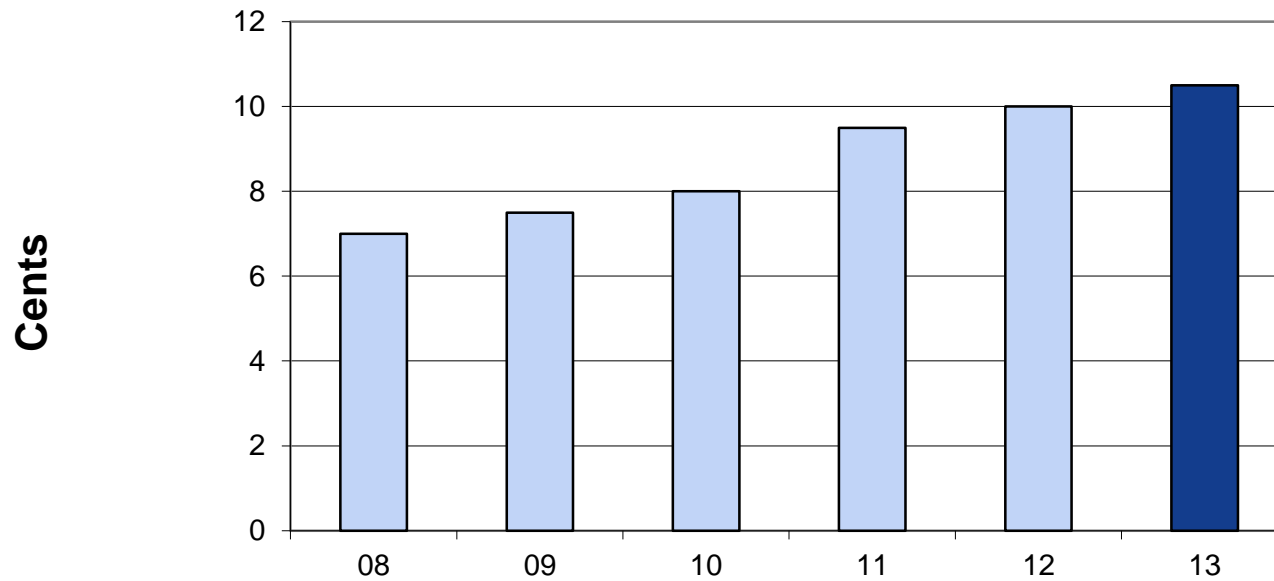
Group operating margin



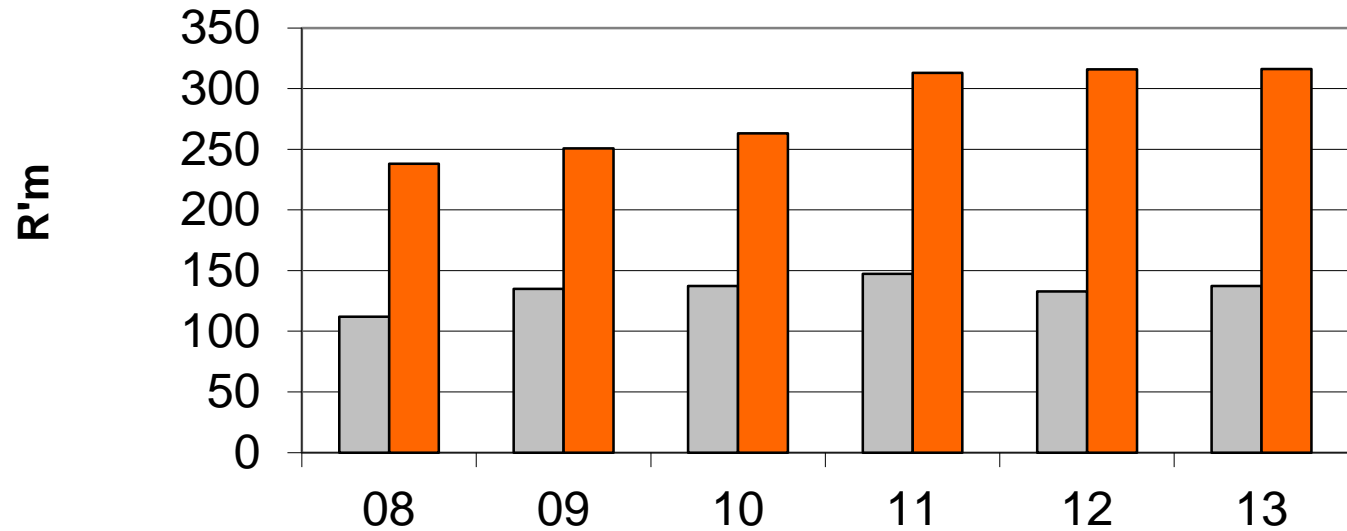
HEPS trend



Distributions



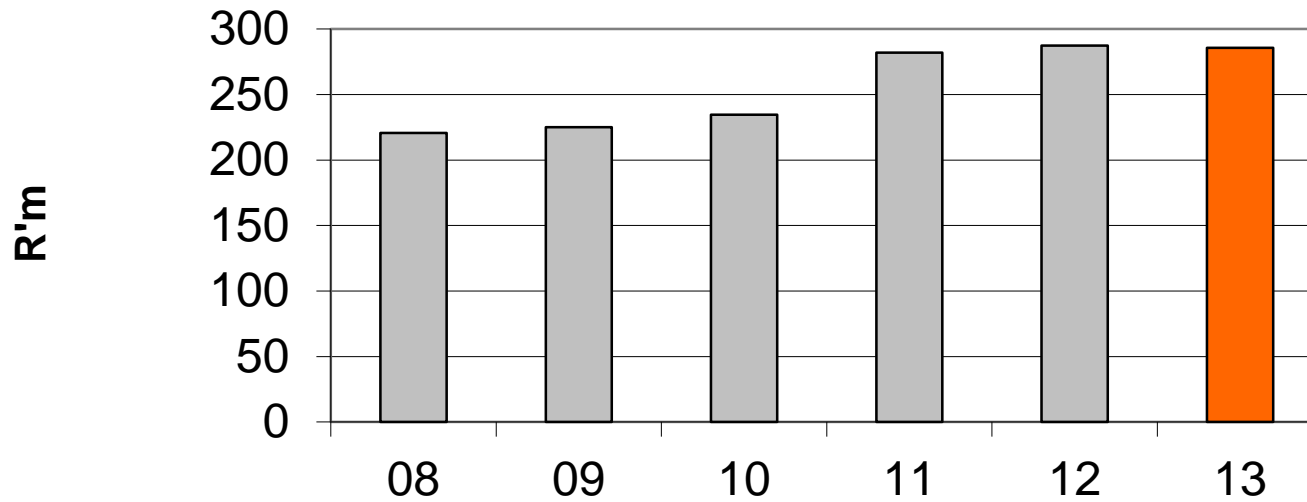
Cash flow generation



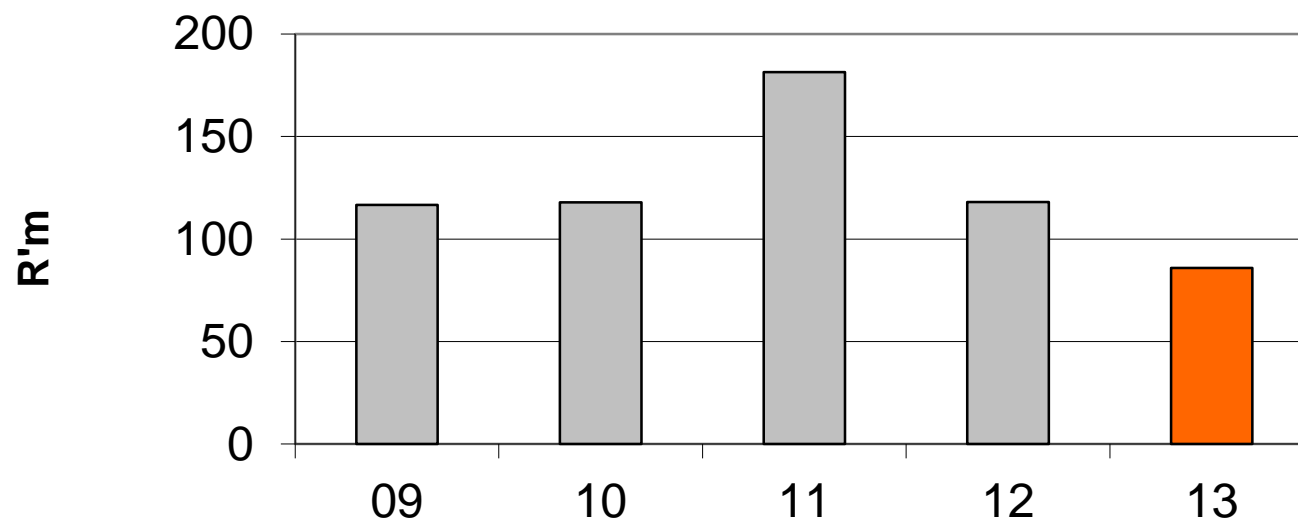
■ Cash generated from operations ■ Cash from operations (after working capital)

Cash flow generation

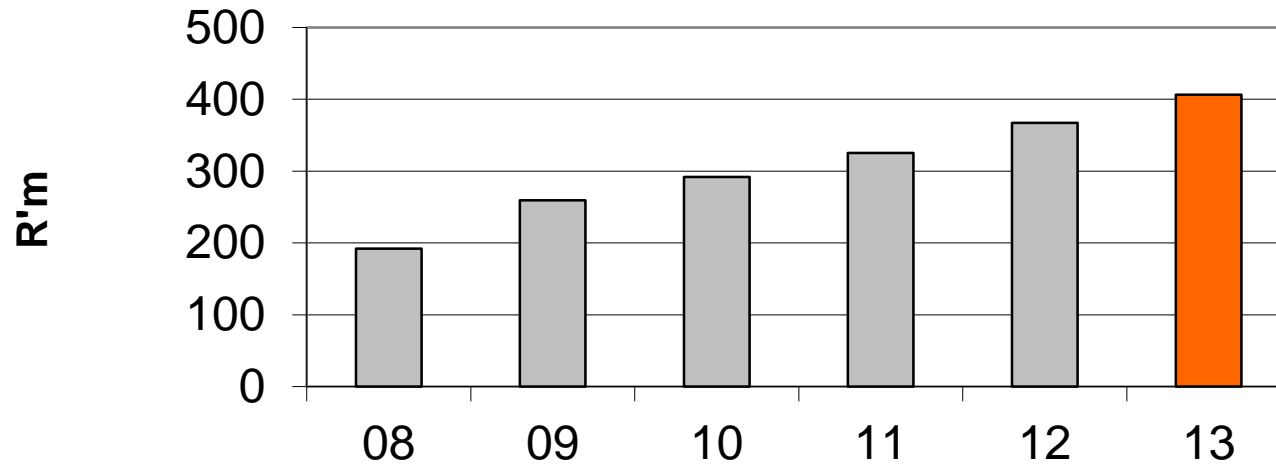
Free operating cash flow before capex



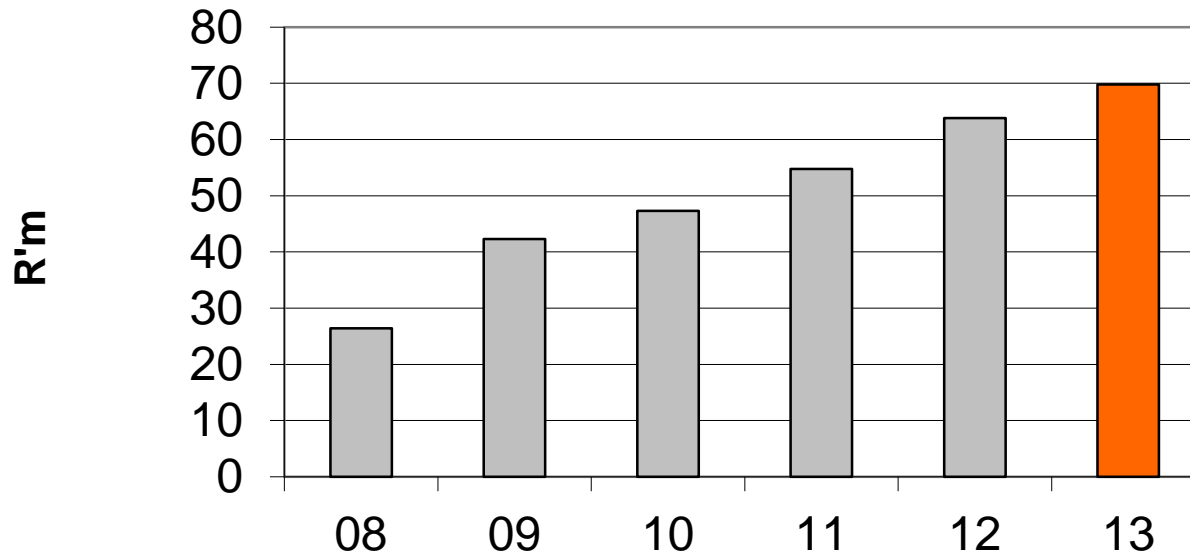
Net cash position



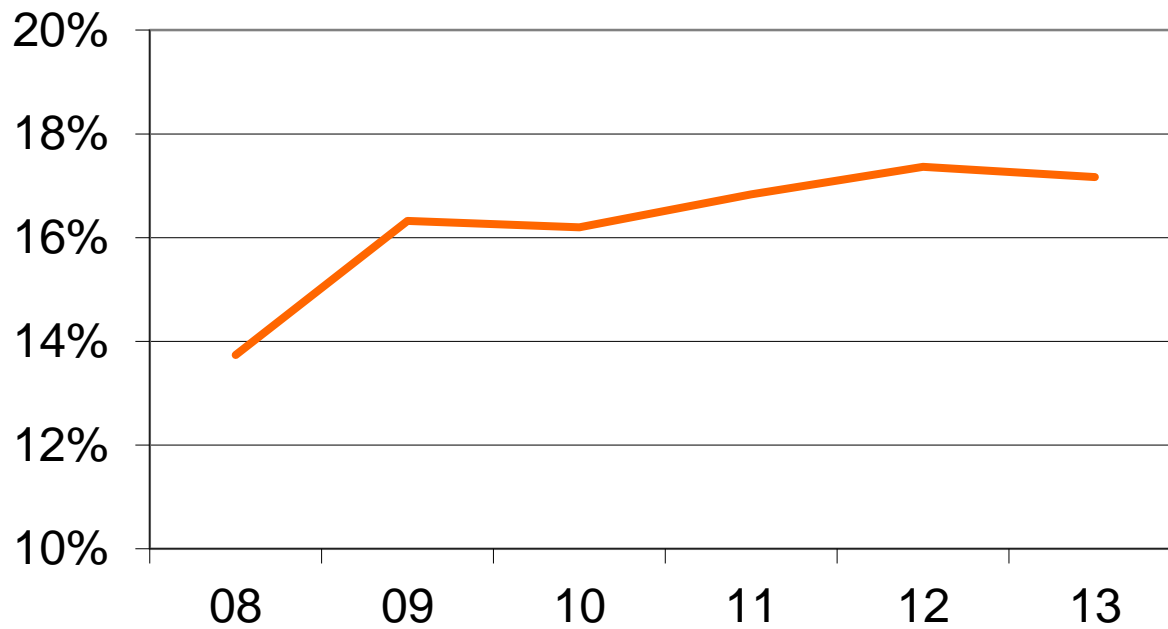
Revenue



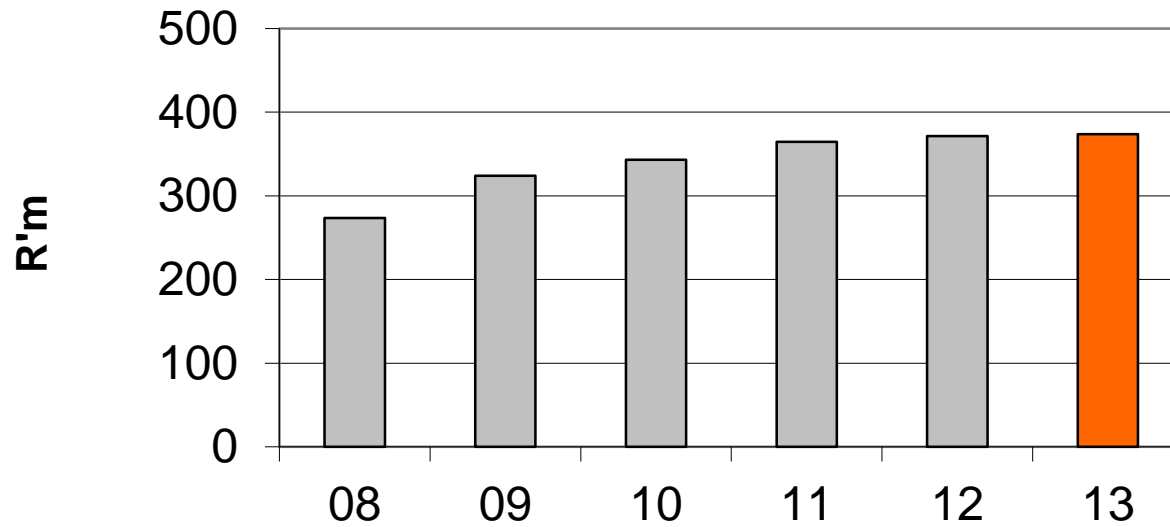
Operating profit



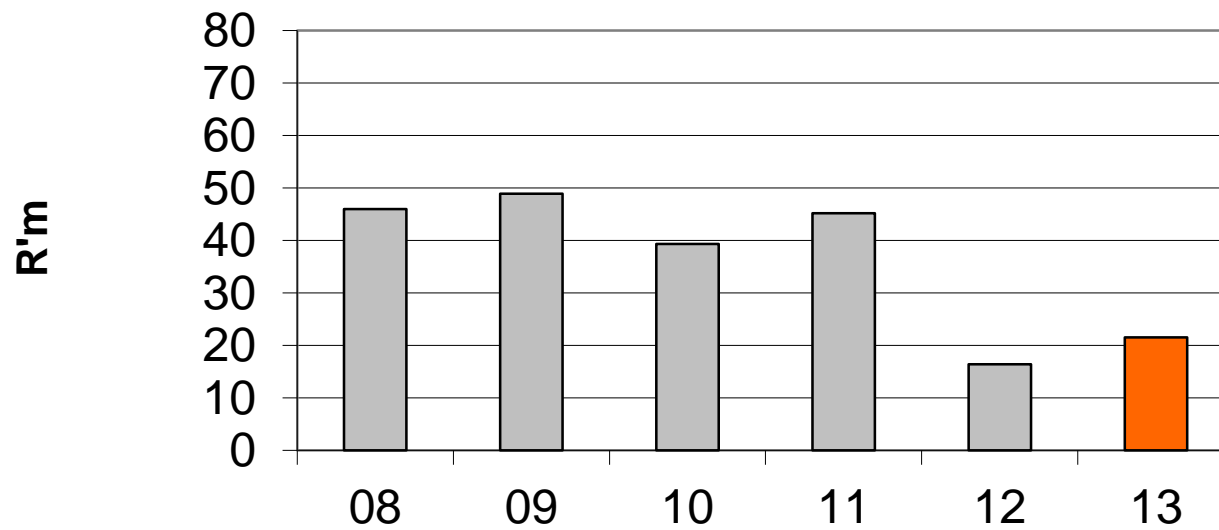
Operating margin



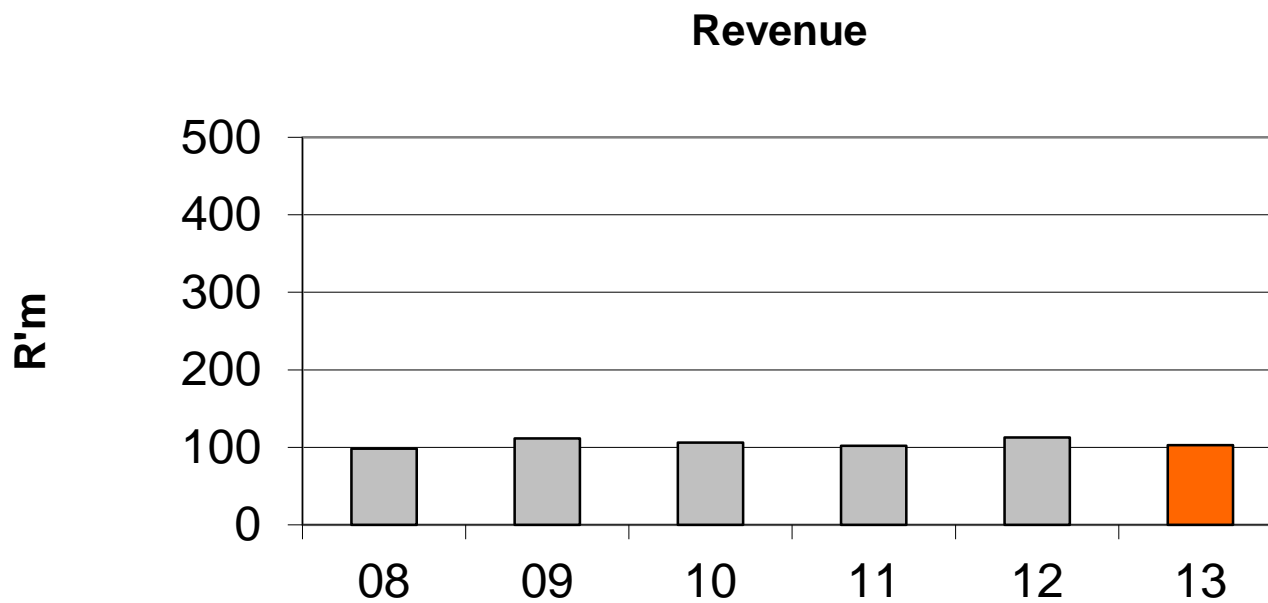
Revenue



Operating profit

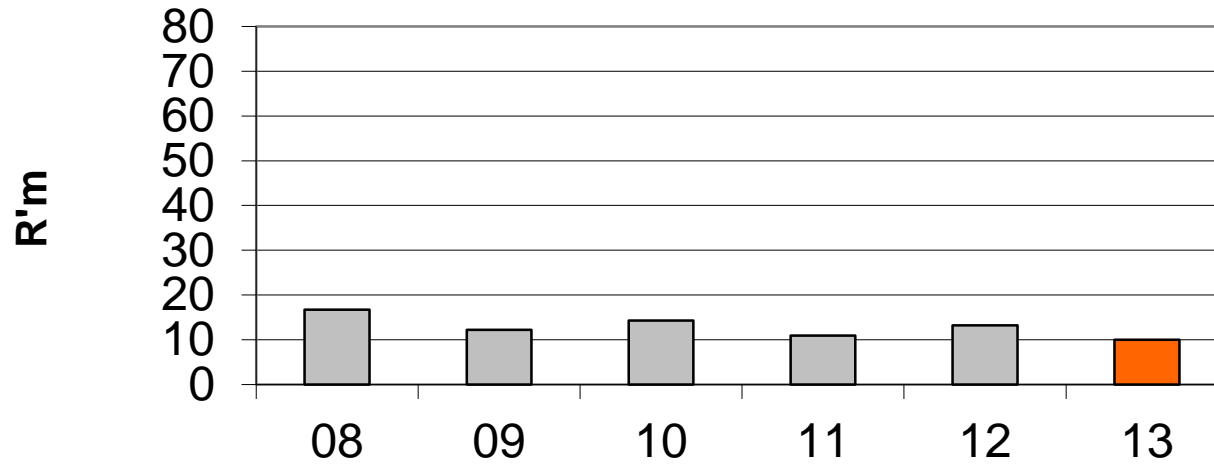


Resourcing trends



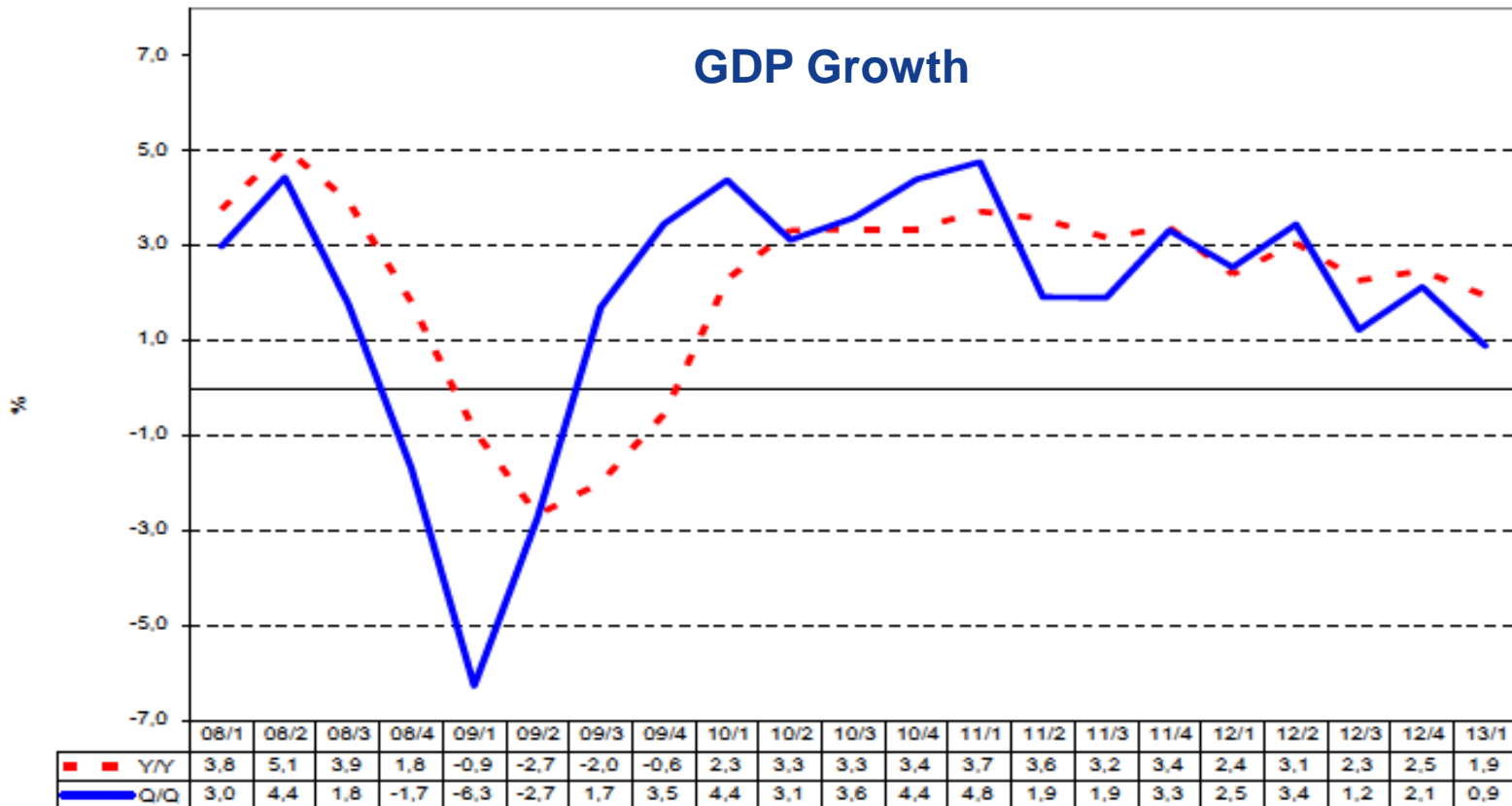
Resourcing trends

Operating profit



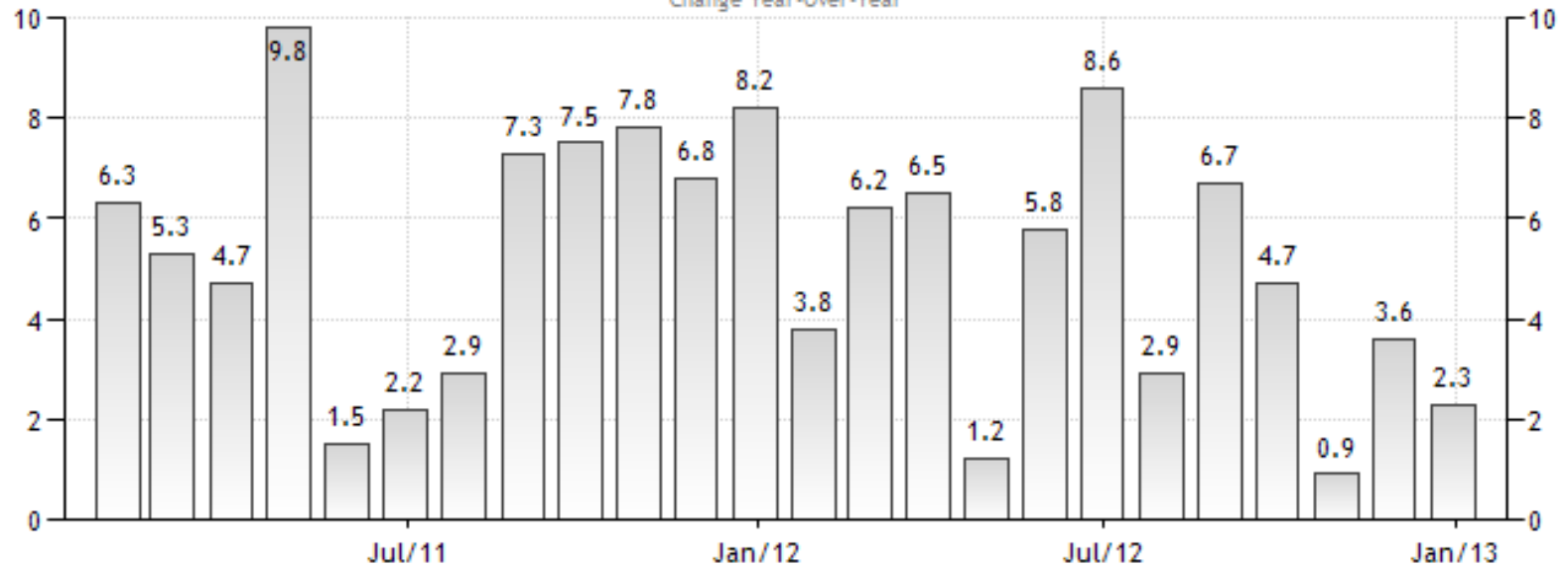
PROSPECTS





SOUTH AFRICA RETAIL SALES YOY

Change Year-Over-Year

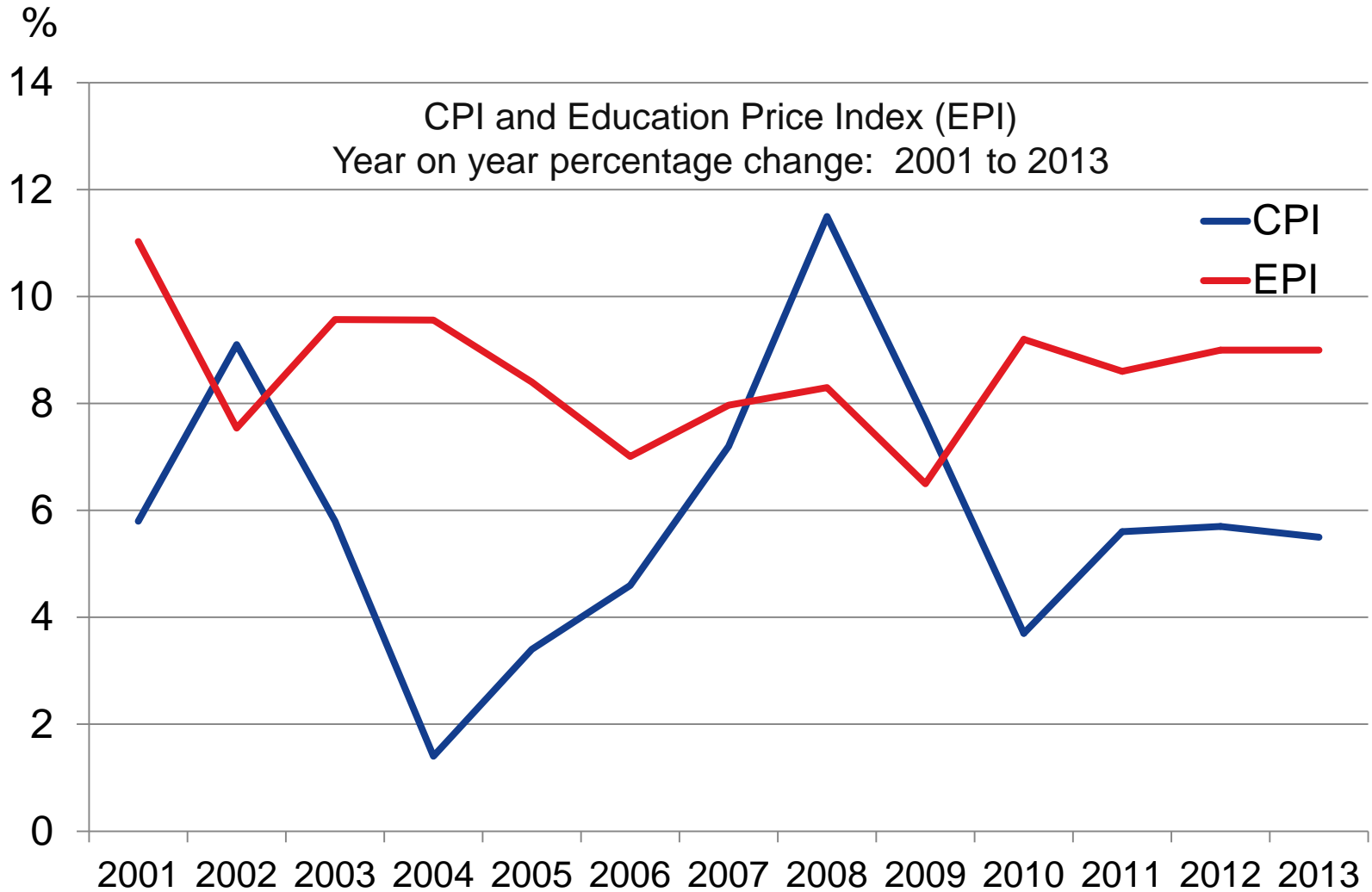


SOURCE: WWW.TRADINGECONOMICS.COM | STATISTICS SOUTH AFRICA

Exchange rate – US\$

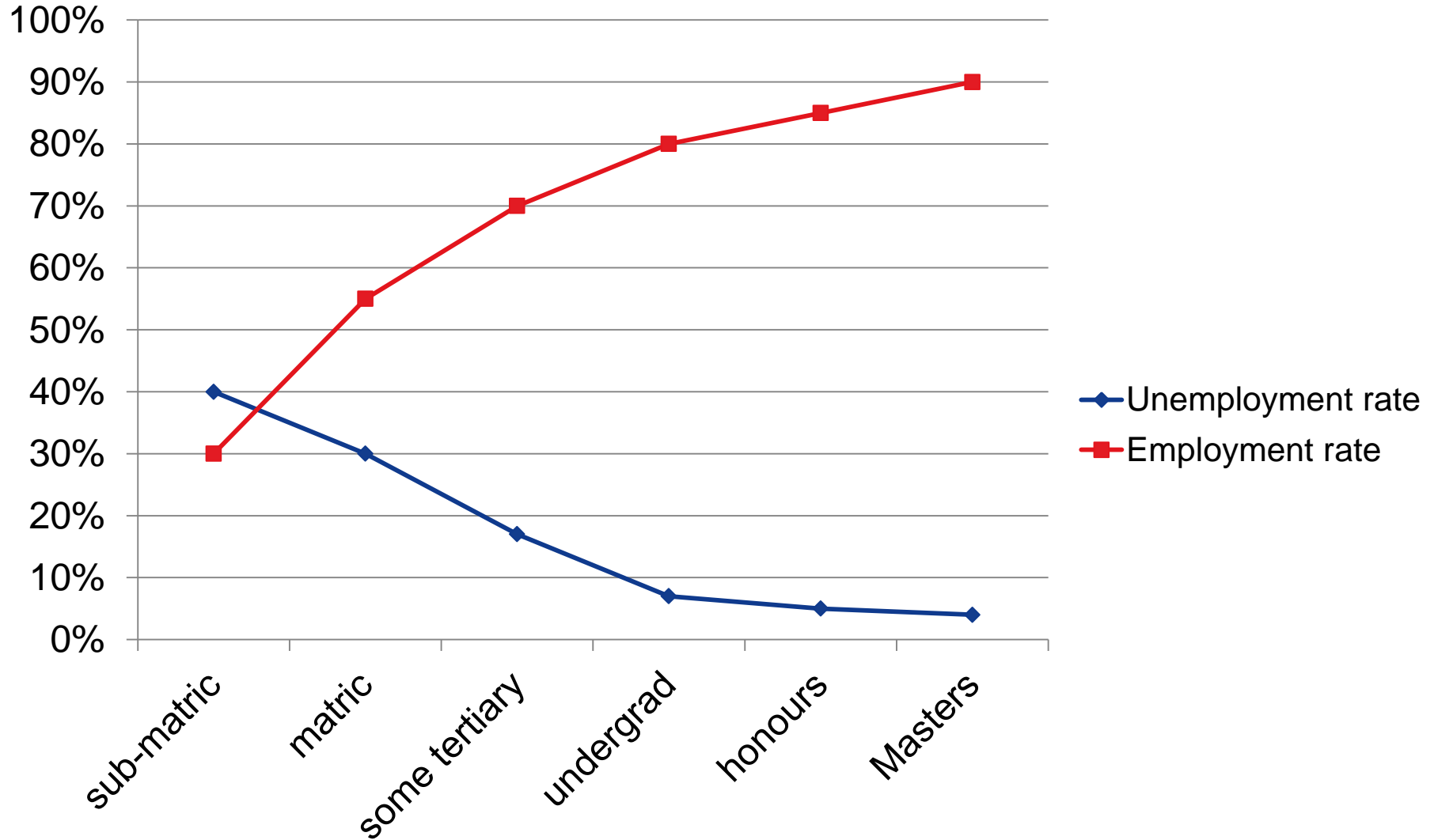
June 2008 – June 2013





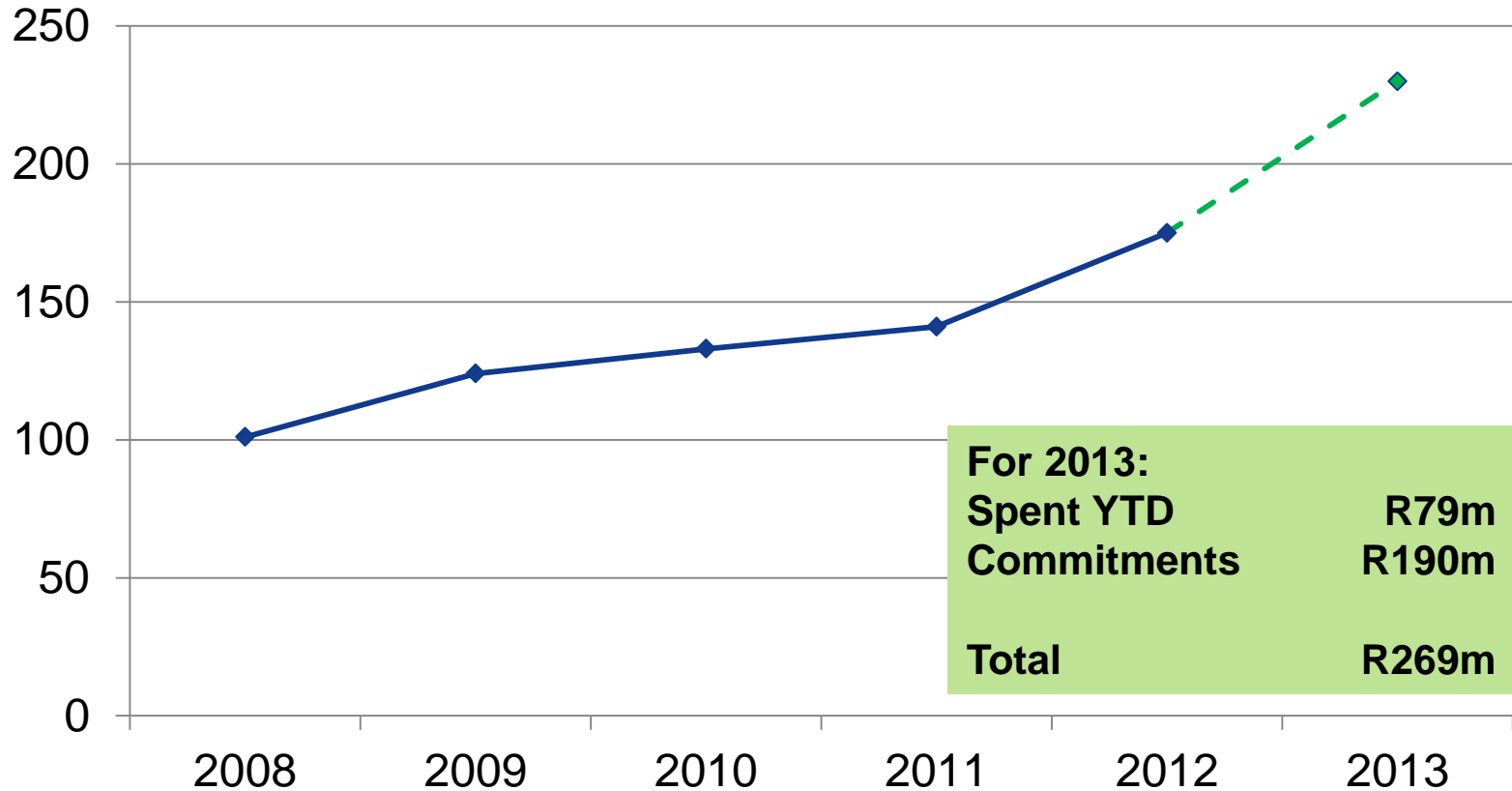
CPI	5.8	9.1	5.8	1.4	3.4	4.6	7.2	11.5	7.7	3.7	5.6	5.7	5.5
EPI	11.03	7.54	9.57	9.56	8.4	7.01	7.97	8.3	6.5	9.2	8.6	9.0	9.0

Perfect symmetry – education and jobs



Source: CDE

Average annual investment trend



For 2013:	
Spent YTD	R79m
Commitments	R190m
Total	R269m

CAGR = 16%

Investment plans



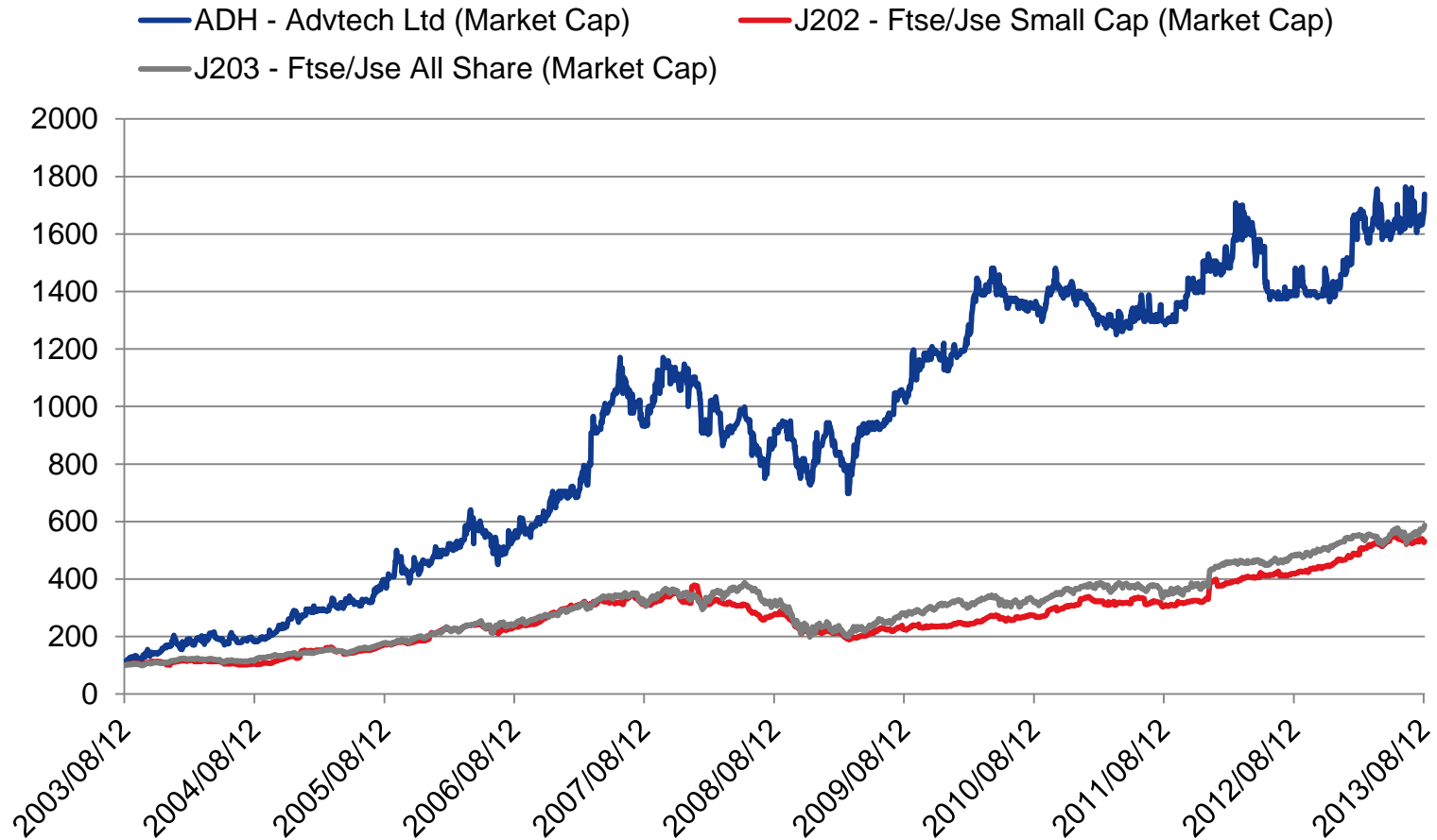
R million

- Lease commitments 331

- Capital investments
 - › contracted 235
 - › approved 1 013
 - › project investigations 1 700

- Approximate capacity increase by 2024 of 24 000 places
 - › about two thirds

Market cap index



QUESTIONS

